

BUDDHIST POH YEA HOME FOR THE AGED LIMITED
(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

WILLIAM LAM & CO.
Certified Public Accountants



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**BUDDHIST POH YEA HOME FOR THE AGED LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

CONTENTS	PAGE(S)
COUNCILLORS' REPORT	1 - 2
INDEPENDENT AUDITORS' REPORT	3 - 5
INCOME STATEMENT	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF CHANGES IN TOTAL FUNDS AND RESERVES	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 14
ANALYSIS OF ACCOUNT (For Management Purposes Only)	

BUDDHIST POH YEA HOME FOR THE AGED LIMITED
(佛教般若安老院有限公司)

COUNCILLORS' REPORT

The Councillors have pleasure in submitting their annual report and the audited financial statements of Buddhist Poh Yea Home for the Aged Limited (the "Association") for the year ended 31 March 2021.

STATEMENT OF COMPLIANCE

The Association qualifies for reporting exemption as a small private company under Sections 359(1) (a) and 361 of the Hong Kong Companies Ordinance and is therefore exempted from the preparation of a business review section in the Councillors' Report.

PRINCIPAL ACTIVITIES

The Association is an approved charitable Institution providing non-profit making homes or centres for the aged.

ACCOUNTS

The result of the Association for the year ended 31 March 2021 and the state of Association's affairs at 31 March 2021 are set out in the attached audited financial statements.

PLANT AND EQUIPMENT

Movements in plant and equipment during the year are set out in note 6 to the financial statements.

RESERVES

Movements in reserves during the year are set out in the statement of changes in total funds and reserves on page 8 to the financial statements.

COUNCILLORS

The Councillors of the Association during the year and up to the date of this report were: -
AW Sian, O.B.E., J.P.
CHOW Suk Han, Anna
HO Chi Ping
LAM Hon Ying
NG Wai Wah
SIK Fat Pui
WONG Tak Ming, Buddy
WONG Yiu Cheong
NG Man Wah
WONG Chiu Kam
Mok Pik Man

In accordance with the Article 29 of the Association's Articles of Association, all Councillors 0029
continue in office for the ensuing year.

BUDDHIST POH YEA HOME FOR THE AGED LIMITED
(佛教般若安老院有限公司)

COUNCILLORS' REPORT (CONTINUED)

COUNCILLORS' INTERESTS

In the opinion of the Councillors, no other contracts of significance to which the Association was a party and in which a Councillor had a material interest subsisted at the end of the year or at any time during the year.

EQUITY-LINKED ARRANGEMENTS

The Association had no equity-linked agreement subsisted at the end of the year or at any time during the year.

PERMITTED INDEMNITY PROVISION

At no time during the year were there any permitted indemnity provisions in force for the benefit of the directors of the Association.

At the time approval of this report, there are no permitted indemnity provisions in force for the benefit of the directors of the Association.

AUDITORS

The financial statements have been audited by Messrs. William Lam & Co., Certified Public Accountants, who retire and, being eligible, offer themselves for re-appointment.

For and on behalf of the Board



Chairman
WONG Tak Ming, Buddy
Hong Kong, 9 December 2021

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INDEPENDENT AUDITORS' REPORT

To the Members of
Buddhist Poh Yea Home for the Aged Limited
(Incorporated in Hong Kong with liability limited by guarantee)

Opinion

We have audited the financial statements of Buddhist Poh Yea Home for the Aged Limited (the "Association") set out on pages 6 to 14, which comprise the statement of financial position as at 31 March 2021, the income statement, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the Association's financial position as at 31 March 2021 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Councillors are responsible for the other information. The other information comprises the information included in the Councillors' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

0031

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
Buddhist Poh Yea Home for the Aged Limited
(Incorporated in Hong Kong with liability limited by guarantee)

Responsibilities of Councillors and Those Charged with Governance for the Financial Statements

The Councillors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Councillors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Councillors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting the process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

0032

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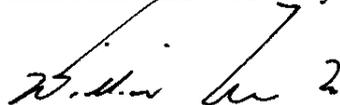
INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
Buddhist Poh Yea Home for the Aged Limited
(Incorporated in Hong Kong with liability limited by guarantee)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.
- Conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



William Lam & Co.
Certified Public Accountants

Hong Kong, 9 December 2021

BUDDHIST POH YEA HOME FOR THE AGED LIMITED
(佛教般若安老院有限公司)
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
Income			
Accommodation income		7,594,381	6,418,905
Donations and other income		297,236	84,887
Interest income		40,287	49,724
		<u>7,931,904</u>	<u>6,553,516</u>
Expenditure			
Administrative and operating expenses		(6,501,469)	(6,196,647)
Exchange loss		<u>(78,425)</u>	<u>--</u>
Surplus before tax	3	1,352,010	356,869
Income tax expense	5	<u>--</u>	<u>--</u>
Surplus for the year		<u><u>1,352,010</u></u>	<u><u>356,869</u></u>

The annexed notes form an integral part of these financial statements.

0034

BUDDHIST POH YEA HOME FOR THE AGED LIMITED
 (佛教般若安老院有限公司)
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
Non-current assets			
Plant and equipment	6	-----	-----
Current assets			
Utility deposits		60,633	60,633
Cash and bank balances		5,986,848	4,633,838
		6,047,481	4,694,471
Current liabilities			
Accounts payable		(35,000)	(34,000)
Net current assets		6,012,481	4,660,471
NET ASSETS		6,012,481	4,660,471
Funds and reserves			
Accumulated surpluses		6,012,481	4,660,471

Approved by the Board of Councillors on 9 December 2021



WONG Tak Ming, Buddy
Councillor



NG Wai Wah
Councillor

The annexed notes form an integral part of these financial statements.

0035

BUDDHIST POH YEA HOME FOR THE AGED LIMITED
(佛教般若安老院有限公司)
STATEMENT OF CHANGES IN TOTAL FUNDS AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
Accumulated surpluses at the beginning of the year	4,660,471	4,303,602
Surplus for the year	<u>1,352,010</u>	<u>356,869</u>
Accumulated surpluses at the end of the year	<u><u>6,012,481</u></u>	<u><u>4,660,471</u></u>

BUDDHIST POH YEA HOME FOR THE AGED LIMITED
(佛教般若安老院有限公司)
STATEMENT CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
Cash flows from operating activities		
Surplus before tax	1,352,010	356,869
Adjustment for:		
- Interest income	<u>(40,287)</u>	<u>(49,724)</u>
Operating surplus before working capital changes	1,311,723	307,145
Increase in payables	1,000	1,000
<i>Net cash generated from operating activities</i>	<u>1,312,723</u>	<u>308,145</u>
Cash flows from investing activities		
Interest received	<u>40,287</u>	<u>49,724</u>
<i>Net cash generated from investing activities</i>	<u>40,287</u>	<u>49,724</u>
Net increase in cash and cash equivalents	1,353,010	357,869
Cash and cash equivalents at beginning of the year	4,633,838	4,275,969
Cash and cash equivalents at end of the year	<u>5,986,848</u>	<u>4,633,838</u>
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	<u>5,986,848</u>	<u>4,633,838</u>

BUDDHIST POH YEA HOME FOR THE AGED LIMITED
(佛教般若安老院有限公司)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. GENERAL

Buddhist Poh Yea Home for the Aged Limited (the "Association") was incorporated under Hong Kong Companies Ordinance on June 14, 2002 with liability limited by guarantee. The registered office Association is located at 297 Pai Tau Village, Shatin, New Territories, Hong Kong.

Under the provision of the Association's Memorandum and Articles of Association, every member of the Association undertakes to contribute to the assets of the Association in the event of its being wound up while he/she is a member, or within one year after he/she ceased to be a member, for payment of the debts and liabilities of the Association contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding ten dollars.

The Association is an approved charitable institution providing non-profit making homes or centres for the aged.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Association have been prepared in accordance with Hong Kong Financial Reporting Standards for Private Entities ("HKFRSs for PE") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of these financial statements is historical cost.

In preparing the current year's financial statements, the Association has adopted where appropriate the new and revised HKFRSs for the first time which have not had any impact on the results for the current or prior accounting periods.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, or in the period of the revision and future periods if the revision affects both current and future periods.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition and location for its intended use. Expenditure incurred after the asset has been put into operation, such as repairs and maintenance costs, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalized as an additional cost of the asset. When assets are sold or retired, their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the income statement.

Depreciation is provided to write off the cost of assets over their estimated useful lives by using the straight-line method at 20% per annum.

Residual values, useful lives and depreciation method are reviewed and adjusted if appropriate at each reporting date.

(c) Impairment of assets

An assessment is made at each reporting date to determine whether there is any indication of impairment or reversal of previous impairment of plant and equipment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the income statement.

(d) Payables

Payables are initially measured at fair value and, after initial recognition, at amortised cost unless the effect of discounting being immaterial in which case they are stated at cost.

(e) Cash and cash equivalents

Cash comprises cash in hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

(f) Employee benefits

Salaries, bonuses, paid annual leave and the cost to the Association of non-monetary benefits are recognised when they accrue to employees. Contributions to the Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Scheme Ordinance are recognised as an expense in the income statement as incurred.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(g) Provisions

A provision is recognised when the Institution has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditure expected to be required to settle the obligation.

(h) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of the Association are measured using the currency of the primary economic environment in which the Association operates ("the functional currency"). The financial statements are presented in Hong Kong dollar, which is the Association's functional and presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(i) Income recognition

Accommodation income is recognized when the relevant services are rendered.

Donations are recognized to the extent of cash received.

Interest income is recognised on a time proportion basis.

3. SURPLUS BEFORE TAX

Surplus before tax is arrived at after charging:-

	<u>2021</u> HK\$	<u>2020</u> HK\$
Auditors' remuneration	<u>15,500</u>	<u>15,000</u>
Employee benefit expenses		
Salaries and allowances	4,161,671	3,849,618
Contributions to Mandatory Provident Funds	<u>137,189</u>	<u>128,963</u>
	<u>4,298,860</u>	<u>3,978,581</u>

4. COUNCILLORS' REMUNERATION

Councillors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance is as follows:-

	<u>2021</u> HK\$	<u>2020</u> HK\$
Fees	--	--
Other emoluments	--	--
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

5. INCOME TAX

The Association is a charitable institution registered under Section 88 of the Inland Revenue Ordinance and is exempted from the payment of all taxes.

6. PLANT AND EQUIPMENT

	Furniture and fixtures <u> </u> HK\$
<i>Cost</i>	
At 1/4/2019	1,149,092
Additions	--
At 31/3/2020	<u>1,149,092</u>
Additions	--
At 31/3/2021	<u>1,149,092</u>
 <i>Accumulated depreciation</i>	
At 1/4/2019	1,149,092
Charge for the year	--
At 31/3/2020	<u>1,149,092</u>
Charge for the year	--
At 31/3/2021	<u>1,149,092</u>
 <i>Net book value</i>	
At 31/3/2021	<u> </u>
At 31/3/2020	<u> </u>

7. FINANCIAL RISK MANAGEMENT

Financial instruments carried on the reporting date also include cash and cash equivalents, receivables and payables. The Association is exposed to following risks through its normal operations.

(a) Interest rate risk

The Association's exposure to market risk for changes in interest rate relates primarily to interest bearing bank deposits.

(b) Credit risk

Credit risk represents the potential loss that the Association would incur if counter parties fail to perform pursuant to the terms of their obligations to the Association. The Association has guidelines and procedures governing the process of granting credit in the business. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

(c) Liquidity risk

The Association's funding requirements and liquidity risks are managed with the objective of meeting its business obligations in a timely manner. The Association achieves this by using appropriate management measures and monitoring its cash flow commitments on a regular basis.

8. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING YEAR ENDED 31 MARCH 2021

Up to the date of issue of these financial statements, the HKICPA has issued various amendments, new standards and interpretations ("New HKFRSs") which are not yet effective for the accounting year ended 31 March 2021.

The Association is in the process of making an assessment of what the impact of these New HKFRSs is expected to be in the period of initial application. So far it has concluded that the adoption of these New HKFRSs is unlikely to have any significant impact on the Association's results of operations and financial position.

(FOR MANAGEMENT PURPOSES ONLY)

BUDDHIST POH YEA HOME FOR THE AGED LIMITED

ANALYSIS OF ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

ADMINISTRATIVE AND OPERATING EXPENSES

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Auditors' remuneration	15,500	15,000
Cleaning expenses	722,610	629,822
Computer system maintenance fee	8,988	7,036
Consumable stores	32,078	59,130
Electricity, fuel and water	165,450	267,797
Festival and activities expenses	117,275	34,185
Insurance	57,133	85,998
I.T. fee	3,393	2,976
Messing and medical	514,843	421,182
MPF contributions	137,189	128,963
Professional fees	21,500	21,000
Rent and rates	166,556	162,498
Repairs and maintenance	184,542	256,848
Salaries and allowances	4,298,860	3,978,581
Staff training	6,000	6,000
Stationery and printing	27,089	23,598
Sundry expenses	13,503	86,452
Telephone and postage	8,960	9,581
	<u>6,501,469</u>	<u>6,196,647</u>